GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:4120
ANSWERED ON:14.12.2000
EXCESS FUNDS REMITTED BY NAVAL AND AIR HEADQUARTERS
CHANDRA NATH SINGH

Will the Minister of DEFENCE be pleased to state:

(a) whether Naval and Air Headquarters had remitted funds to Naval and Air Advisers in High Commission of India, London far in excess of requirement resulting in loss of interest of Rs. 3.50 crore during 1991-92;

(b) if so, whether the matter has since been inquired into;

(c) if so, the details thereof; and

(d) the follow-up action taken against the officials found responsible for that?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 4120 14.12.2000

In 1990, the Government had decided to close Supply Wing in the Indian High Commission in London. A Residual Supply Wing (RSW) manned by a skeleton staff, was, however retained to complete the winding up formalities. Remittances to the Residual Supply Wing (RSW) were made by the Naval and Air Headquarters during 1991-92, as follows:-

(i) By Naval Headquarters 531, 125 Pound

(ii By Air Headquarters Rs. 70 lakhs in FFE Sterling

2. The aforesaid remittences were made for making payments towards outstanding contractual liabilities, expenditure on petrol, oil, lubricant and for procurement of emergent requirement of spares for the aircrafts etc.

3. The funds placed at the disposal of the RSW during 1991-92 couldnot be fully utilized and were carried forward to the subsequent years. While the funds placed by the Air Headquarters were fully utilized by 1995-96, the outstanding balance, taking into consideration the subsequent remittences made during 1992-1993 and 1994-95 amounting to Pound Sterling 1,18,322.62, was withdrawn and deposited in the Consolidated Fund of India in June, 1999.

4. The question of loss of interest on account of the money remaining unutilized does not arise as the public funds are not invested in interest bearing financial instruments in the normal course.